

SERFF Tracking Number: RDWS-128339082 State: Arkansas  
 Filing Company: Universal Fidelity Life Insurance Co. State Tracking Number:  
 Company Tracking Number:  
 TOI: L071 Individual Life - Whole Sub-TOI: L071.301 Current Assumption - Fixed Premium - Single Life  
 Product Name: UFLIC SURVIVOR GDB 05 AR  
 Project Name/Number: /

## Filing at a Glance

Company: Universal Fidelity Life Insurance Co.

Product Name: UFLIC SURVIVOR GDB 05 AR SERFF Tr Num: RDWS-128339082 State: Arkansas

TOI: L071 Individual Life - Whole SERFF Status: Closed-Withdrawn State Tr Num:

Sub-TOI: L071.301 Current Assumption - Fixed Co Tr Num: State Status: Withdrawn

Premium - Single Life

Filing Type: Form

Reviewer(s): Linda Bird

Authors: Eddie Mire, Judy Tait,

Disposition Date: 05/29/2012

Oliver Kiel

Date Submitted: 05/07/2012

Disposition Status: Withdrawn

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name:

Status of Filing in Domicile: Authorized

Project Number:

Date Approved in Domicile: 11/21/2005

Requested Filing Mode: Review & Approval

Domicile Status Comments: Oklahoma is State of Domicile.

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact:

Filing Status Changed: 05/29/2012

State Status Changed: 05/29/2012

Deemer Date:

Created By: Judy Tait

Submitted By: Judy Tait

Corresponding Filing Tracking Number:

Filing Description:

Universal Fidelity Life Insurance Company

SURVIVOR GDB AR

Modified Whole Life insurance form

TIR GDB 05-AR

Terminal Illness Rider

This is new filing. It will be used with application number SURVIVOR 10/10 AR (APP) which is currently submitted for approval under pending SERFF Filing RDWS-128335698. No illustrations will be used.

SERFF Tracking Number: RDWS-128339082 State: Arkansas  
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State Narrative:

## Company and Contact

### Filing Contact Information

Judy Tait, Admin jttait@ruddwisdom.com  
 Rudd and Wisdom, Inc. 512-346-1590 [Phone]  
 9500 Arboretum Blvd 512-345-7437 [FAX]  
 Suite 200  
 Austin, TX 78759

### Filing Company Information

(This filing was made by a third party - ruddandwisdominc)

Universal Fidelity Life Insurance Co.	CoCode: 70122	State of Domicile: Oklahoma
13931 Quail Pointe Dr.	Group Code:	Company Type:
Oklahoma City, OK 73134	Group Name:	State ID Number:
(800) 366-8354 ext. [Phone]	FEIN Number: 73-0493220	

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## Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	2 forms at \$50.00 each.
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Universal Fidelity Life Insurance Co.	\$100.00	05/07/2012	58984997

SERFF Tracking Number:	RDWS-128339082	State:	Arkansas
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted			
Withdrawn	Linda Bird	05/29/2012	05/29/2012			
Objection Letters and Response Letters						
Objection Letters		Response Letters				
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Linda Bird	05/10/2012	05/10/2012	Judy Tait	05/24/2012	05/24/2012
Industry						
Response						

<i>SERFF Tracking Number:</i>	<i>RDWS-128339082</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Universal Fidelity Life Insurance Co.</i>	<i>State Tracking Number:</i>	
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.301 Current Assumption - Fixed Premium - Single Life</i>
<i>Product Name:</i>	<i>UFLIC SURVIVOR GDB 05 AR</i>		
<i>Project Name/Number:</i>	<i>/</i>		

## Disposition

Disposition Date: 05/29/2012

Implementation Date:

Status: Withdrawn

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: RDWS-128339082 State: Arkansas

Filing Company: Universal Fidelity Life Insurance Co. State Tracking Number:

Company Tracking Number:

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Product Name: UFLIC SURVIVOR GDB 05 AR

Project Name/Number: /

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Third Party Authorization		Yes
Supporting Document	Actuarial Memorandum for terminal illness rider		No
Form (revised)	Whole Life Policy		Yes
Form	Whole Life Policy		Yes
Form (revised)	Terminal Illness Rider		Yes
Form	Terminal Illness Rider		Yes

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TOI: L071 Individual Life - Whole Sub-TOI: L071.301 Current Assumption - Fixed Premium -  
Single Life  
Product Name: UFLIC SURVIVOR GDB 05 AR  
Project Name/Number: /

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 05/10/2012  
Submitted Date 05/10/2012  
Respond By Date 06/11/2012

Dear Judy Tait,

This will acknowledge receipt of the captioned filing.

### Objection 1

Comment: Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue.

Regulation 49 requires that a Life and Health guaranty notice be give to each policy owner. Please review your issue procedures and assure us that you are in compliance with 49.

Regulation 19s10B requires that all new or revised filings submitted must contain a certification that the submission meets the provisions of this rule as well as all applicable requirements of this Department.

Life Policies with reduced death benefits in early policy years are subject to Bulletin 8-85. The contract is in violation of both Guidelines One and Two of this bulletin.

A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

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Product Name: UFLIC SURVIVOR GDB 05 AR

Project Name/Number: /

## Response Letter

Response Letter Status Submitted to State

Response Letter Date 05/24/2012

Submitted Date 05/24/2012

Dear Linda Bird,

### Comments:

Thank you for your May 10, 2012 letter.

### Response 1

Comments: We would like to withdraw this filing.

### Related Objection 1

Comment:

Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue.

Regulation 49 requires that a Life and Health guaranty notice be give to each policy owner. Please review your issue procedures and assure us that you are in compliance with 49.

Regulation 19s10B requires that all new or revised filings submitted must contain a certification that the submission meets the provisions of this rule as well as all applicable requirements of this Department.

Life Policies with reduced death benefits in early policy years are subject to Bulletin 8-85. The contract is in violation of both Guidelines One and Two of this bulletin.

### Changed Items:

No Supporting Documents changed.

### Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
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SERFF Tracking Number: RDWS-128339082 State: Arkansas  
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Product Name: UFLIC SURVIVOR GDB 05 AR

Project Name/Number: /

Whole Life Policy	Withdrawn	Policy/Contract/Fraternal Initial Certificate	57.000
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**Previous Version**

Whole Life Policy	SURVIVO R GDB 05 AR	Policy/Contract/Fraternal Initial Certificate	57.000	SURVIVO RGDB05A R.pdf
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Terminal Illness Rider	Withdrawn	Policy/Contract/Fraternal Initial Certificate: Amendment, Insert Page, Endorsement or Rider	40.000
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**Previous Version**

Terminal Illness Rider	TIR GDB 05-AR	Policy/Contract/Fraternal Initial Certificate: Amendment, Insert Page, Endorsement or Rider	40.000	tirGDB05- AR.pdf
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No Rate/Rule Schedule items changed.

Thank you for your assistance.

Sincerely,  
 Eddie Mire, Judy Tait, Oliver Kiel



SERFF Tracking Number: RDWS-128339082 State: Arkansas

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Company Tracking Number:

TOI: L071 Individual Life - Whole Sub-TOI: L071.301 Current Assumption - Fixed Premium - Single Life

Product Name: UFLIC SURVIVOR GDB 05 AR

Project Name/Number: /

## Form Schedule

### Lead Form Number:

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	Withdrawn	Policy/Cont Whole Life Policy ract/Fratern al Certificate	Initial		57.000	
	Withdrawn	Policy/Cont Terminal Illness ract/Fratern Rider al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		40.000	

<i>SERFF Tracking Number:</i>	<i>RDWS-128339082</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Universal Fidelity Life Insurance Co.</i>	<i>State Tracking Number:</i>	
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.301 Current Assumption - Fixed Premium - Single Life</i>
<i>Product Name:</i>	<i>UFLIC SURVIVOR GDB 05 AR</i>		
<i>Project Name/Number:</i>	<i>/</i>		

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	Flesch Certification	
<b>Comments:</b>		
<b>Attachment:</b>		
FLESCH.doc.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	Application	
<b>Comments:</b>		
It will be used with application number SURVIVOR 10/10 AR (APP) which is currently submitted for approval under pending SERFF Filing RDWS-128335698		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	Life & Annuity - Acturial Memo	
<b>Comments:</b>		
<b>Attachment:</b>		
Actuarial Memo - Graded.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	Third Party Authorization	
<b>Comments:</b>		
<b>Attachment:</b>		
Filing authorization.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	Actuarial Memorandum for terminal	

<i>SERFF Tracking Number:</i>	<i>RDWS-128339082</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Universal Fidelity Life Insurance Co.</i>	<i>State Tracking Number:</i>	
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.301 Current Assumption - Fixed Premium - Single Life</i>
<i>Product Name:</i>	<i>UFLIC SURVIVOR GDB 05 AR</i>		
<i>Project Name/Number:</i>	<i>/</i>		
	<i>illness rider</i>		

**Comments:**

**Attachment:**

TIRGDB-ARactmemo.pdf

## FLESCH READABILITY SCORE CERTIFICATION

### UNIVERSAL FIDELITY LIFE INSURANCE COMPANY

I, Eddie Mire, am a consulting actuary doing work for Universal Fidelity Life Insurance Company. I certify that the following forms have been tested and meet the minimum required reading ease score.

<u>Form Number</u>	<u>Flesch Score</u>
SURVIVOR GDB 05 AR	57.0
TIR GDB 05-AR	40



May 4, 2012  
Date

\_\_\_\_\_  
Eddie Mire  
Rudd and Wisdom, Inc.



August 18, 2005

Re: Filing Authorization

To Whom It May Concern:

Please consider this letter as formal authorization for Eddie Mire of Rudd & Wisdom Inc., Consulting Actuaries, 9500 Arboretum Blvd., Suite 200, Austin, Texas 78759, to file policy forms on behalf of Universal Fidelity Life Insurance Company.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. McLemore', with a long horizontal stroke extending to the right.

Michael A. McLemore  
President

Michael A. McLemore, President  
2211 North Highway 81 • Duncan, Oklahoma 73533  
Toll Free: 800.366.8354 • Duncan: 580.470.2266 • OKC: 405.608.0174 x101 • Fax: 580.255.0951  
E-mail: [mmclemore@uflic.com](mailto:mmclemore@uflic.com)

SERFF Tracking Number: RDWS-128339082 State: Arkansas

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## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
05/07/2012	Form	Whole Life Policy	05/24/2012	SURVIVORGDB05AR.pdf (Superceded)
05/07/2012	Form	Terminal Illness Rider	05/24/2012	tirGDB05-AR.pdf (Superceded)

**Universal Fidelity Life Insurance Company**  
**OLD LINE LEGAL RESERVE STOCK CO.**  
**815 West Ash Avenue**  
**DUNCAN, OKLAHOMA 73533**

Universal Fidelity Life Insurance Company agrees:

- To pay the proceeds to the Beneficiary if the Insured dies while this policy is in force; and
- To provide the Owner with the other rights and benefits of this policy.

These agreements are subject to the provisions of this policy.

This policy is a legal contract between you, the Owner, and us, Universal Fidelity Life Insurance Company. As with any other contract, you should **READ THIS POLICY CAREFULLY**.

**THIRTY DAYS TO EXAMINE CONTRACT.** If you are not satisfied with this policy for any reason, you may return the policy to us or to our authorized agent within 30 days after you receive it. If you do so, we will cancel this policy and refund the premium that was paid. If all money paid is not returned within 30 days, the Company will pay interest on the proceeds as required by the laws of the state in which the policy is issued.

**WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.**

Signed for Universal Fidelity Life Insurance Company at Duncan, Oklahoma.



Secretary



President

MODIFIED WHOLE LIFE INSURANCE POLICY  
GRADED DEATH BENEFIT DURING FIRST TWO YEARS  
INSURANCE PAYABLE AT DEATH OF INSURED  
PREMIUMS PAYABLE FOR LIFE  
NONPARTICIPATING

## POLICY INDEX

BASIS OF VALUES .....	Page 8	GENERAL PROVISIONS .....	Page 5
BENEFIT SCHEDULE .....	Page 3	Assignment, Change of Beneficiary, Grace	
CONVERSION PRIVILEGE .....	Page 8	Period, Incontestability, Incorrect Age or	
DEFINITIONS .....	Page 2	Sex, Ownership, Premium Payments,	
GUARANTEED VALUES.....	Page 4	Settlement and Indebtedness, Reinstatement,	
LOAN PROVISIONS .....	Page 7	Suicide Limitation	
PREMIUM SCHEDULE .....	Page 3	SETTLEMENT OPTIONS .....	Page 8

Copy of application and any rider benefits follow Page 9.

## DEFINITIONS

**“WE”, “US” AND “OUR”** - UNIVERSAL FIDELITY LIFE INSURANCE COMPANY

**“YOU” AND “YOUR”** - The Owner of the policy.

**“OWNER”** - The person named in the application as Owner.

**“INSURED”** - The person whose life is insured by the policy.

**“FACE AMOUNT”** - The amount shown on Page 3.

**“AGE”** - The age, as of the nearest birthday, of the Insured.

**“PROCEEDS”** - The amount of benefits payable to the Beneficiary at the death of the Insured. The amount will be less than the death benefit if there is a policy loan or a past due premium. It will be more if any riders are attached which have payable death benefits.

**“IN WRITING”** - In a written form, satisfactory to us, which we receive at our Home Office in Duncan, Oklahoma.

**“BENEFICIARY”** - The person or persons to receive the death benefit of the policy.

**“POLICY YEAR”** - A year measured from the month and day of the Policy Date.

**“DEBT AND INDEBTEDNESS”** - The amount owed on the policy, if any, plus accrued interest.



# UNIVERSAL FIDELITY LIFE INSURANCE COMPANY

## DESCRIPTION OF BENEFITS

FORM:

BENEFIT:

SURVIVOR GDB 05 AR  
TIR GDB 05-AR

MODIFIED WHOLE LIFE INSURANCE  
TERMINAL ILLNESS RIDER

## PREMIUM SCHEDULE

FORM	ANNUAL	SEMI ANNUAL	QUARTERLY	MONTHLY BILL	MONTHLY DRAFT	PREMIUM PERIOD	EXPIRY DATE
SURVIVOR GDB 05	\$243.70	\$126.72	\$64.58	\$21.93	\$20.71	Life	None
POLFEE	25.00	13.00	6.62	2.25	2.12		
TIR GDB 05	.00	.00	.00	.00	.00		
Total	\$268.70	\$239.72	\$71.20	\$24.18	\$22.83		

INSURED:

AGE AND SEX: 45 Male

POLICY DATE: 9/01/2005

POLICY NUMBER: 0004799480

CLASS: Non-Smoker

ULTIMATE FACE AMOUNT\*: \$10,000.00

\*DEATH BENEFIT:

1. For Accidental Death – Ultimate Face Amount in all policy years
2. For all other deaths:

Policy Year 1 – 110% of all premiums paid

Policy Year 2 – 110% of all premiums paid

Thereafter – Ultimate Face Amount

INSURANCE PAYABLE UPON DEATH  
PREMIUMS PAYABLE FOR LIFE  
NON-PARTICIPATING

**INSURED:**  
**BENEFIT:** MODIFIED WHOLE LIFE INSURANCE

**POLICY NUMBER:** 0004799480  
**POLICY DATE:** 9/1/2005

**TABLE OF VALUES**  
GUARANTEED VALUES PER \$1,000 OF INSURANCE

Policy Year	Cash Value	Paid Up Insurance	Extended Term	
			Years	Days
1	.00	.00	0	0
2	5.00	21.00	1	306
3	18.00	73.00	5	323
4	31.00	120.00	8	212
5	45.00	167.00	10	269
6	59.00	211.00	12	97
7	74.00	254.00	13	175
8	89.00	294.00	14	143
9	105.00	333.00	15	76
10	121.00	370.00	15	306
11	138.00	406.00	16	140
12	154.00	436.00	16	245
13	172.00	470.00	16	363
14	189.00	498.00	17	41
15	207.00	526.00	17	74
16	226.00	555.00	17	97
17	245.00	581.00	17	89
18	263.00	603.00	17	35
19	283.00	628.00	17	2
20	302.00	649.00	16	296
Age 60	207.00	526.00	17	74
Age 62	245.00	581.00	17	89
Age 65	302.00	649.00	16	296

The values above are for a policy with no outstanding loan balance.  
The value for any year not shown will be furnished on request.

Reserves are calculated by the Commissioner's Reserve Valuation Method.  
Annual interest rate for reserve calculations is 4.00%.  
Annual interest rate for nonforfeiture calculations is 5.00%.  
Annual interest rate for policy loans is 7.40%, paid in advance.  
Annual interest rate for reinstatement is 6.00%.

## **GENERAL PROVISIONS**

### **THE CONTRACT**

The contract consists of this policy, a copy of the application, and any papers attached. You applied for it. We issued it. All statements made in the application, except for material misstatements, are considered based on your present knowledge and belief. They are representations and not warranties. No statement may be used to void this policy or be used in defense of a claim unless it is in the application.

The policy may be changed only in writing and only if you and we agree. The agreement must be signed by our President or Secretary. No agent or other person may change or waive any provision.

### **OWNERSHIP**

You have control of the policy while the Insured is alive. If the policy is assigned, your control may be limited. Naming an irrevocable Beneficiary may also limit your control.

You may appoint a new owner if you notify us in writing. The change will take place the date you sign the notice. This is true even if the Insured dies before we receive it. The change will not affect anything we did before we received the notice.

### **CHANGE OF BENEFICIARY**

You may change the Beneficiary if you notify us in writing. Any irrevocable Beneficiary must agree in writing to that change. You may not have this right if the policy is assigned.

### **INCORRECT AGE OR SEX**

If the Insured's age or sex has been misstated in the application, any amount we pay will be as the premiums paid would have purchased at the correct age and sex.

### **ASSIGNMENT**

You may assign or transfer your rights in this policy. The transfer will take effect when we receive notice of it in writing. We will record it but will not be responsible for its validity or effect.

### **INCONTESTABILITY**

We cannot contest this policy after it has been in force during the lifetime of the Insured for two years from the Policy Date except for non-payment of premiums. This paragraph does not apply to any disability or accidental death rider.

### **SUICIDE LIMITATION**

If the Insured dies by suicide within two years after the Policy Date, we will pay no more than an amount equal to the sum of all premiums paid. This is true whether the Insured was sane or insane.

### **SETTLEMENT AND INDEBTEDNESS**

Settlement shall be made upon receipt of due proof of death. Any amount that we pay is payable at our Home Office. In any settlement, we will first deduct any debt on the policy.

### **PREMIUM PAYMENTS**

All premiums must be paid in advance. They may be paid to our agent or to our Home Office. The agent will give you a receipt. It will be signed by our President or Secretary or by the agent.

You may change the mode of payment. The available modes and their corresponding premiums are shown on Page 3.

### **GRACE PERIOD**

We allow 31 days for the payment of any premium. This is called the Grace Period. It starts the day the premium is due. The policy is in force during the Grace Period. If the Insured dies during the Grace

Period, we will deduct the past due premium from any amount we owe. If the premium is not paid before the end of the Grace Period, this policy may lapse. It will not lapse if a Nonforfeiture Provision is able to keep it or part of it in force.

### **REINSTATEMENT**

If this policy has lapsed or is in force under a Nonforfeiture Benefit, you may put it back in full force if the last premium paid was within the previous five years. Two things must happen before the policy will be reinstated: (1) We must be satisfied that the Insured is still insurable; and (2) All past due premiums must be paid, with interest from their due dates. The interest rate is shown on Page 4.

We cannot contest a reinstated policy after it has been in force during the lifetime of the Insured for two years from the date of reinstatement except for non-payment of premiums. Any contest to a reinstated policy will be based on material misstatements made in the application for reinstatement.

### **ACCIDENTAL DEATH**

If the death of the Insured occurs by accidental means, the Death Benefit will be equal to the Ultimate Face Amount as shown on Page 3. Accidental death of the Insured must result from injury, directly and independently of all other causes, and occur within 90 days after the date of the injury. Unless prohibited by law, we shall have the right to examine the body of the Insured, or perform an autopsy on the body of the Insured.

Death will not be considered accidental when death of the Insured results from any of the following causes:

- 1) Bodily or mental infirmity or bacterial infection (other than infection occurring simultaneously with and through a cut or wound caused by an accident) or any kind of disease even though the proximate cause of death was accidental bodily injury;
- 2) Voluntarily taking any kind of poison or drugs or inhaling any kind of gas;
- 3) Medical or surgical treatment;
- 4) Intentional self destruction while either sane or insane;
- 5) Committing or attempting to commit a felony or participating in a riot;
- 6) Operating or riding in or descending from any kind of aircraft if the Insured:
  - a. was a pilot, officer or member of the crew of such aircraft,
  - b. was giving or receiving any kind of instruction or training, or
  - c. had any duties relating to such flight or was flown for the purpose of descent from such aircraft in flight;
- 7) Service in the armed forces of any country at war; or
- 8) War or insurrection or any act attributable thereto.

“War” means declared or undeclared war. “War” includes armed aggression by one or more countries resisted by or on orders of any country, combination of countries or international organization.

### **GUARANTEED VALUES**

A TABLE OF VALUES is on Page 4. These are guaranteed values at the end of the policy year if all premiums due have been paid. Any debt will reduce the values.

A CASH SURRENDER VALUE will be paid to you if you surrender this policy within 60 days after the due date of any unpaid premium and during the lifetime of the Insured. The amount will be the Cash Value less any debt as of the due date of the unpaid premium. Values on dates between policy anniversaries will be determined with allowances made for the fractional part of the premium paid for that policy year. We have the right to defer payment of the Cash Surrender Value for up to six months.

NONFORFEITURE BENEFITS are available if a premium is not paid when due. You may choose one of these options if the policy then has Cash Value. Do this in writing no later than 60 days after the premium due date. If you do not, the Automatic Option takes effect.

*Cash Value* – You may surrender the policy and we will pay you its Cash Value less any debt

*Paid-Up Insurance* – The policy may be continued for a reduced amount of nonparticipating insurance. The amount will be what the Cash Value, less any debt, will provide when applied as a net single premium at the attained age of the Insured.

*Extended Term Insurance* – The policy may be continued as nonparticipating extended term insurance. The amount will be the Face Amount less any debt. The insurance will continue for the period that the Cash Value, less any debt, will purchase when applied as a net single premium at the attained age of the Insured.

An automatic option will apply if you do not choose a Nonforfeiture Benefit. This is the Extended Term Insurance option. You may select another option if it is done in writing within 60 days after the due date of the unpaid premium.

If the policy is being continued as Paid-Up or Extended Term insurance, it may be surrendered for its cash value. The cash value is the net single premium for the insurance at the Insured's attained age on the surrender date. If surrendered within 30 days after any annual anniversary of the Policy Date, the value will be found as of that anniversary date.

## **LOAN PROVISIONS**

A POLICY LOAN will be made to you if the policy is not under the Extended Term nonforfeiture option. The loan may not be more than the Cash Value at the end of the Policy Year in which you made the loan. The Cash Value is first reduced by any existing debt and by any premiums due until the end of the Policy Year. Unless the Policy Loan is to make premium payments on this policy, we have the right to defer payment of the Loan for up to six months. The security for such loan will be this policy and its assignment to us.

LOAN INTEREST is paid in advance. The interest rate is shown on Page 4. The first interest due date is the date of the loan. After that, interest due dates are the annual anniversaries of the Policy Date. If interest is not paid when due, it will be added to the loan and will draw interest at the same rate. If the total debt becomes more than the Cash Value, the policy will terminate and have no value. This will happen 31 days after we have mailed notice to you and to any assignee at the last known addresses.

AUTOMATIC PREMIUM LOAN. This provision will be effective if you request it in Writing before the end of the Grace Period. If any premium on this policy is not paid on or before the due date or within the Grace Period, the Company will charge such premium with interest as shown on Page 4, from the due date of such premium to the end of the current policy year, as a loan against the policy, provided that the loan value of the policy is sufficient. If the loan value is not sufficient to cover the premium for one or more months, then such fractional premium shall be charged as a loan. Any premium or premiums so charged against the loan value of this policy shall be considered as a loan upon the policy and shall be subject to the same terms and conditions as any loan made in accordance with the Loan Provisions. The request for automatic loans may be canceled by you at any time by notice in writing.

## **CONVERSION PRIVILEGE**

You may want to exchange this policy for another one we offer. We may allow this if the policy is in force and the Insured is insurable. You must request it in writing and we must agree. We will determine any additional costs.

## **BASIS OF VALUES**

We use the Commissioner's 2001 Standard Mortality Table, Male and Female, Smoker/Nonsmoker, with the interest rate shown on Page 4. We assume that deaths occur at the end of the Policy Year. We use the Insured's age as of last birthday.

The Cash Values are calculated by the Standard Nonforfeiture Value Method. We use the Nonforfeiture interest rate shown on Page 4. No value is less than that required by law. Reserves are calculated according to the Commissioner's Reserve Valuation Method, assuming the interest rate shown on page 4. We have filed a statement with the insurance officials of the state where this policy was delivered. That statement contains the method of calculation.

## **SETTLEMENT OPTIONS**

If a settlement option is not chosen, we will pay the Proceeds in a single sum. Proceeds will be paid within two months of the date we receive due proof of the Insured's death. You must decide before the Insured dies. If you do not, the Beneficiary may choose an option. The choice must be in writing and made before any proceeds are paid.

Proceeds to be applied must be at least \$2500. Payments may be in annual, semi-annual, quarterly or monthly installments. All payments must be at least \$25.

Payments must be to a natural person. If not, we must first consent. Payments will not be paid before they are due.

No part of the Proceeds or any payment will be subject to the claims of creditors, nor to legal process. These things are true to the extent allowed by law.

Options 1, 2, 3 and 4 are based on 3% annual interest. We may pay more than this. No excess interest will be paid under Option 2 after the guaranteed period, nor under Option 5.

The first payment under Options 1, 2, 4 and 5 will be payable immediately. The first payment under Option 3 will be payable at the end of the first payment period.

### **OPTION 1—FIXED PERIOD**

Payments will be for a specified period. The amount of each payment can be determined from the OPTION 1 TABLE.

### **OPTION 2—LIFE INCOME WITH GUARANTEED PERIOD**

Payments will be for an amount based on the age, last birthday, and sex of the payee. Payments will be made for the selected guaranteed period and as long after as the payee lives. We may require proof of the payee's age and sex before making any payment. We may also require proof of the payee's survival.

### **OPTION 3—INTEREST**

We will hold the Proceeds for a specified period. During that time, we will either pay or accumulate the interest on the Proceeds. The payee may withdraw the Proceeds, with any accrued interest, at any time. Partial withdrawal may be made only with our consent.

### **OPTION 4—FIXED AMOUNT**

Payments will be for a specified amount. They will be made until the Proceeds and interest are exhausted.

### **OPTION 5—SPECIAL ANNUITY**

Payments will be as provided by any Single Premium Immediate Annuity we issue on the date the Proceeds become payable. Payments will be 3% more than the Annuity payments. They will be adjusted so that the first payment is payable immediately.

### **OPTION 1—TABLE**

<b>Years</b>	<b>Payment</b>	<b>Years</b>	<b>Payment</b>	<b>Years</b>	<b>Payment</b>	<b>Years</b>	<b>Payment</b>	<b>Years</b>	<b>Payment</b>
1	84.47	6	15.14	11	8.86	16	6.53	21	5.32
2	42.86	7	13.16	12	8.24	17	6.23	22	5.15
3	28.99	8	11.68	13	7.71	18	5.96	23	4.99
4	22.06	9	10.53	14	7.26	19	5.73	24	4.84
5	17.91	10	9.61	15	6.87	20	5.51	25	4.71

MODIFIED WHOLE LIFE INSURANCE POLICY  
GRADED DEATH BENEFIT DURING FIRST TWO YEARS  
INSURANCE PAYABLE AT DEATH OF INSURED  
PREMIUMS PAYABLE FOR LIFE  
NONPARTICIPATING



# UNIVERSAL FIDELITY LIFE INSURANCE COMPANY

815 West Ash Ave., Duncan Oklahoma 73533 (580) 470-2287

## TERMINAL ILLNESS RIDER

### Accelerated Benefit

**Death benefits, gross premiums, cash values and loan values will be reduced if a benefit is paid.** An accelerated benefit may be taxable. As with all tax matters, a personal tax advisor should be consulted.

This rider is made a part of the policy to which it is attached. The terms of your policy also apply to this rider except as they are changed by the terms of this rider.

**Amount of Benefit.** The amount of accelerated benefit provided shall be:

- 1) as requested by the Owner. The benefit may be up to 100% of the then current policy face amount, subject to a maximum of \$100,000,

*less:*

- 1) an actuarial discount for 12 months' interest. The interest rate used in the calculation will be as declared by the Board of Directors. The rate will not be greater than 10%; and
- 2) any outstanding policy loan and loan interest due and unpaid, multiplied by the benefit ratio; and
- 3) any premium due and unpaid during a policy's grace period which applies to a period before the date of entitlement; and
- 4) an administrative expense charge as determined by the Company. This charge will not exceed \$100.

The benefit, related charges, interest, discounts or liens, if applicable, and the balance of the death benefit of the life insurance contract shall constitute full settlement on maturity of the face amount of the contract.

**Public Assistance Eligibility Disclosure.** Receipt of this benefit may affect you, your spouse or your family's eligibility for public assistance programs such as:

- 1) Medical assistance (Medicaid)
- 2) Aid to Families with Dependent Children (AFDC)
- 3) Supplementary social security income (SSI)
- 4) Drug assistance programs.

Please consult with a qualified tax advisor and with social service agencies concerning how receipt of such a payment will affect you, your spouse and your family's eligibility for public assistance.

**Tax Disclosure.** The acceleration of life insurance benefits (ALBR) offered under this rider are intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986. If the ALBR qualify for such favorable tax treatment, the benefits will be excluded from your income and not subject to federal taxation. Tax laws relating to ALBR are complex. Please consult with a qualified tax advisor about circumstances under which you could exclude ALBR from income under federal law.

**Limitations.** No benefit will be provided in the first two policy years. No benefit will be provided by this rider if terminal illness results from intentionally self-inflicted injuries. Any amount payable during a contestable period, due to suicide, will be reduced by any previously paid accelerated benefit.

**Adjustments to the Policy.** After the payment of a benefit, the policy will be subject to the following adjustments, when applicable:

- 1) The face amount, guaranteed cash value, actual cash value and gross premium will be reduced by the benefit ratio times the respective amounts.

- 2) Any outstanding loan and loan interest will be reduced by the portion repaid by any benefit payment under this rider.
- 3) Any portion of the policy face amount remaining after payment of a benefit and related charges or interest will be paid upon the death of the insured subject to the terms and conditions of your policy.
- 4) If the benefit ratio is 100%, this policy will terminate. Gross premium includes any additional riders, policy fees and extra premium for special premium class. Future policy values will be calculated according to the methods described in the policy using the reduced amounts described above.

### **Benefit Entitlement**

- 1) The accelerated benefit rider will take effect at the beginning of the third policy year.
- 2) The benefit under this rider is payable only once, regardless of the subsequent occurrence of the same or a different condition.
- 3) The policy and this rider must be in force.
- 4) The benefit shall be payable to the Owner.
- 5) After the payment of a benefit, the Company will send the Owner a statement showing the effect of the payment on this policy.
- 6) If the Insured dies before a benefit is paid, no payment will be made under this rider.
- 7) The Company must receive written consent of all irrevocable beneficiaries and all assignees.

### **Claim Requirements.**

The company requires written proof of the Insured's terminal illness before a benefit will be considered under this rider. Written proof includes a properly completed claim form and a physician's statement satisfactory to the Company. The Company reserves the right to request additional medical information. This can come from any physician or institution which may have provided treatment for the terminal illness. The Company may require, at its expense, an additional examination by a physician of its choice. If there is a discrepancy between medical opinions, the opinion of the Company's physician will rule.

Written notice of claim may be given to the Company anytime after the date the Insured develops a terminal illness. Notice sent by, or on behalf of, the Insured to Universal Fidelity Life Insurance Company, 815 West Ash Ave., Duncan, Oklahoma 73533.

### **DEFINITIONS.**

#### **Benefit Ratio**

The result of dividing (a) by (b) where: a) is the requested accelerated death benefit; and b) is the policy face amount.

#### **Physician**

An individual who is licensed to practice medicine and treat illness or injury in the state in which treatment is received. He must also be acting within the scope of that license. The term physician only refers to a physician licensed and currently practicing in the United States of America. Physician does not include:

- 1) the Insured; or
- 2) the Owner; or
- 3) a person who lives with the Insured or Owner; or
- 4) a person who is part of the Insured's or Owner's immediate family.

#### **Immediate Family**

The spouse, child, brother, sister, parent or grandparent of the Insured or the Owner.

**Physician's Statement**

A written statement acceptable to the Company and signed by a physician which:

- 1) gives the physician's diagnosis of the Insured's medical condition; and
- 2) states with reasonable medical certainty, the medical condition will result in the death of the Insured within 12 months or less from the date of the physician's statement. This statement must take into consideration the ordinary and reasonable medical care, advice and treatment available in the same or similar communities.

**Policy Face Amount**

Includes any policy or rider, to which this rider is attached, which provides a death benefit on the Insured. The supplementary rider for accidental death benefit is excluded.

**Terminal Illness**

A medical condition, which will result in the death of the Insured within 12 months or less from the date of the physician's statement.

**Termination.** This rider will stop on the earliest of the following:

- 1) whenever a benefit is paid;
- 2) the date any nonforfeiture option in the policy becomes effective;
- 3) when the policy to which this rider is attached is in default past the grace period;
- 4) on the date the Company receives a written request by the Owner to stop this rider;

**Consideration.** This rider is issued in consideration of the application. There is no charge for this rider prior to the time a benefit is paid under this rider.

This benefit is made available to the Owner on a voluntary basis. The Owner is not eligible for benefits under this rider if 1) required by law to use this option to meet the claims of creditors, whether in bankruptcy or otherwise; or 2) if required by a government agency to use this option in order to apply for, obtain, or keep a government benefit or entitlement.

**Issue Date.** The issue date of this rider is the issue date of the policy to which it is attached unless changed by endorsement.



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Secretary



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President